



**Australian Government**

**Department of Education, Employment and Workplace Relations**

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# **North Eastern Victoria Priority Employment Area**

**Survey of Employers' Recruitment Experiences**

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**September 2012**





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The document must be attributed as the 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – North Eastern Victoria Priority Employment Area – September 2012'.

This report was prepared by the Labour Market Research and Analysis Branch and is based on research conducted by the Branch.

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## Contents

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<b>Report Summary</b>	<b>1</b>
<b>The North Eastern Victoria Priority Employment Area</b>	<b>1</b>
<b>Survey of Employers' Recruitment Experiences</b>	<b>1</b>
<b>Recruitment Experiences</b>	<b>2</b>
<b>Job Applicants</b>	<b>3</b>
<b>Future Recruitment Expectations</b>	<b>3</b>
<b>Opportunities</b>	<b>4</b>
<b>More Information</b>	<b>4</b>

## Report Summary

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Labour market conditions in the North Eastern Victoria Priority Employment Area (PEA) are soft with the region having an unemployment rate of 6.5 per cent<sup>1</sup>. Characteristics that predispose the region to disadvantage include the large proportion of the people in receipt of an income support payment, lower levels of educational attainment and the large intake of humanitarian migrants.

A September 2012 survey collected responses from 386 employers in the North Eastern Victoria PEA about their recruitment experiences. The results showed that labour market conditions had softened further since the August 2011 survey, as the demand for labour was lower. The future outlook was subdued as fewer employers expected to recruit and increase staff in the year following the survey.

Despite the overall softness of the labour market, conditions varied across the PEA and within industries and occupation groups, which may provide opportunities for job seekers.

## The North Eastern Victoria Priority Employment Area

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- The North Eastern Victoria PEA comprises the ten Local Government Areas (LGAs) of Albury, Benalla, Campaspe, Corowa Shire, Greater Shepparton, Indigo, Moira, Strathbogie, Wangaratta and Wodonga.
- In June 2012, the unemployment rate for the PEA was 6.5 per cent, compared with the state and national unemployment rates of 5.4 per cent and 5.2 per cent respectively.
  - The unemployment rate was 8.0 per cent in both the Albury LGA and Greater Shepparton LGA, while in the Indigo LGA it was only 3.7 per cent.<sup>2</sup>
- One-fifth of the working age population are in receipt of an income support payment, compared with 16 per cent in Victoria.<sup>3</sup>
- The proportion of the working age population who had completed Year 12 (41 per cent) was substantially smaller compared with 59 per cent in Victoria.<sup>4</sup>
- Some 4,278 migrants settled in the region in the five years to November 2012, 24 per cent of whom were humanitarian entrants, well above the average for Victoria (9 per cent).<sup>5</sup>

## Survey of Employers' Recruitment Experiences

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The department conducts surveys of employers' recruitment experiences in regions and industries across Australia.

The September 2012 survey collected responses from 386 employers in the North Eastern Victoria PEA of which one third were small businesses.<sup>6</sup>

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<sup>1</sup> DEEWR, *Small Area Labour Markets, June quarter 2012*

<sup>2</sup> DEEWR, *Small Area Labour Markets, June quarter 2012*

<sup>3</sup> DEEWR administrative data, *September 2012*; ABS *Estimated Resident Population, 2006 and 2011*

<sup>4</sup> ABS, *Census of Population and Housing, 2011*

<sup>5</sup> DIAC, *Settlement Reporting: <http://www.immi.gov.au/settlement>, November 2007 to November 2012*

<sup>6</sup> Small business is defined as a business employing 2 to 4 people.

## Recruitment Experiences

A substantially smaller proportion of employers (52 per cent) surveyed in the North Eastern Victoria PEA had recruited in the year preceding the survey compared with the August 2011 survey (72 per cent).

- At the industry level, the highest recruitment activity was in the Other Services<sup>7</sup> and Manufacturing industries (70 per cent and 60 per cent of employers respectively). These industries also had the largest proportions of vacancies remaining unfilled (9.1 per cent and 6.5 per cent respectively).

*Table 1. Comparison of recruitment experiences in the 12 months preceding the survey*

	North Eastern Victoria PEA			All regions surveyed to September 2012
	September 2012	August 2011	August 2010	
<b>Proportion of employers who recruited</b>	52%	72%	75%	63%
- to increase staff	50%	49%	50%	46%
- to replace staff	87%	89%	83%	85%
<b>Vacancies per 100 staff</b>	16	23	35	18
<b>Proportion of recruiting employers who experienced difficulty</b>	47%	58%	51%	53%
<b>Proportion of unfilled vacancies</b>	3.5%	7.2%	3.0%	5.5%

The proportion of recent vacancies that remained unfilled across the PEA (2.7 per cent) was considerably lower than in all regions surveyed to September 2012 (7.2 per cent).

- Employers recruiting Technicians and Trades Workers reported the largest proportion of vacancies remaining unfilled (5.9 per cent). This was followed by Managers and Professionals (4.0 per cent) and Clerical and Administrative Workers (3.3 per cent).
- All vacancies were filled for Community and Personal Service Workers and Machinery Operators and Drivers.

Table 2 shows the occupations for which employers commonly reported recruitment difficulty.

<sup>7</sup> The Other Services industry includes a broad range of personal services, such as hairdressing; religious, civil, professional and other interest groups; and selected repair and maintenance activities, including automotive repair.

Table 2. Occupations most commonly mentioned as difficult to fill by skill level

<b>Bachelor Degree or Higher VET Qualifications</b>	
Motor Mechanics	Chefs
Structural Steel and Welding Trades Workers	Registered Nurses
Plumbers	Greenkeepers
Sheetmetal Trades Workers	
<b>Other occupations</b>	
Housekeepers	Sales Representatives
Crop Farm Workers	

In their most recent recruitment round, 64 per cent of employers used a formal recruitment method, such as a Newspaper/Magazine. In addition, 41 per cent of employers used an informal method, such as word of mouth, to recruit staff.

In the year prior to the survey, two in five employers had an applicant from a non-English speaking background and 39 per cent of these employers filled a vacancy with an applicant from a non-English speaking background.

- Some 18 per cent of employers reported barriers to employment other than English language skills, such as qualifications not being recognised in Australia (20 per cent of employers) and the applicant being over qualified for the job (13 per cent).

Some 14 per cent of employers in the region planned to recruit an apprentice or trainee following the survey, compared with 21 per cent for all regions surveyed.

### **Job Applicants**

On average, there were 7.7 applicants per vacancy (compared with 8.2 applicants for all regions), of whom 2.3 applicants were considered suitable by employers (2.3 for all regions).

- Competition was lowest for Technicians and Trades Workers vacancies (3.3 applicants per vacancy of whom 1.8 were suitable).

More than two-thirds of all applicants were considered to be unsuitable for the job by employers.

- The most common reasons were a lack of experience to perform the duties of the job (51 per cent), a lack of employability skills and personal characteristics of the applicant (48 per cent), insufficient qualifications or training (22 per cent), or poor interview skills/written application (22 per cent).

### **Future Recruitment Expectations**

Employers' plans to recruit in the future were subdued. Around one third of employers expected to recruit in the year following the survey, a substantial decrease since the previous survey (56 per cent in August 2011).

- Future recruitment expectations were highest in the Accommodation and Food Services industry with 42 per cent of surveyed employers expecting to recruit staff.

- The Albury LGA had the largest proportion of employers expecting to recruit (36 per cent) and to increase staff numbers (23 per cent). Recruitment expectations in the Wangaratta LGA were more subdued with only 24 per cent expecting to recruit and 12 per cent expecting to increase staff numbers.

*Table 3. Recruitment expectations for the 12 months following the survey*

	North Eastern Victoria PEA			All regions surveyed to September 2012
	September 2012	August 2011	August 2010	
<b>Expects to recruit</b>	33%	56%	46%	47%
<b>Expects to increase staff numbers</b>	21%	32%	32%	25%
<b>Expects to reduce staff numbers</b>	3%	4%	3%	4%
<b>Expects future recruitment difficulty</b>	35%	41%	35%	43%
<b>Expects challenges in the next 12 months</b>	56%	65%	57%	58%

Employers expected to recruit for Sales Assistants (General), Housekeepers, Real Estate Sales Agents, Waiters, Structural Steel and Welding Trades Workers and Agricultural and Forestry Scientists.

### Opportunities

- Opportunities may exist for job seekers in the Accommodation and Food Services industry where there is a relatively high proportion of employers who expected to recruit and increase staff numbers.
- Employers experienced difficulty recruiting for Technicians and Trades Workers and expected to recruit for these occupations following the survey. Given the low competition for these vacancies, job seekers with the required skills are likely to find opportunities.
- As insufficient experience to perform job duties was the most common reason employers found applicants unsuitable, support for job seekers to gain relevant work experience will increase their capacity to take advantage of job opportunities as they occur.

### More Information

Survey of Employers' Recruitment Experiences: [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports)

Labour Market Information Portal: [www.deewr.gov.au/lmip](http://www.deewr.gov.au/lmip)

Skill Shortages: [www.deewr.gov.au/skillshortages](http://www.deewr.gov.au/skillshortages)

Job Outlook: [www.joboutlook.deewr.gov.au](http://www.joboutlook.deewr.gov.au)

SkillsInfo: [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au)

Australian Jobs: [www.deewr.gov.au/australianjobs](http://www.deewr.gov.au/australianjobs)

